

CITY OF CHANDLER

TUITION REIMBURSEMENT POLICY

I. PURPOSE

To establish policy and procedures for the administration of the Tuition Reimbursement Program.

II. POLICY

The City of Chandler recognizes the importance of providing higher educational assistance opportunities to City employees and has established guidelines for the administration of a tuition reimbursement program. Eligible employees may be reimbursed for college curriculum courses taken at a fully accredited college and receiving credit hours for the courses taken. Certain professional and vocational certification and license courses may be reimbursable under this policy. Courses of education or training must be in areas related to a City career field and must meet all eligibility requirements.

III. TAX IMPLICATIONS

The City's Tuition Reimbursement Program complies with Section 127 of the Internal Revenue service Tax Code, which allows for tax-free exemption of employer provided educational assistance for undergraduate and graduate level courses. The IRS annual maximum amount is \$5,250. The City of Chandler's reimbursement maximum is set by this policy and outlined below. This means that reimbursements for coursework will not be subject to income tax and FICA tax withholding as long as Section 127 is effective and applicable.

For payroll purposes, taxes are reported based on pay date, therefore, for purposes of this policy, the "tax calendar year" begins on the first day of the pay period that corresponds to the first pay date in January and ends on the last day of the pay period that corresponds to the last pay date in December each year.

In order to ensure tuition is reimbursed for a specific pay date in the tax year, an employee must submit complete documentation, as defined in the policy, by the first day of the pay period for which the reimbursement is being requested.

For guidance on the tax laws related to tuition reimbursement, employees should contact their accountant or tax advisor.

IV. RESPONSIBILITIES

- A. Department Directors are responsible for ensuring that all eligible employees follow the policies and procedures outline in this regulation.
- B. The Human Resources Director or designee is responsible for approving/disapproving requests for tuition reimbursements.

- C. Employees are responsible for the timely submission of Tuition Reimbursement requests to Human Resources, for ensuring the requests for reimbursement are completed accurately, and for submitting proof of payment and passing grade as part of the reimbursement request.

V. EMPLOYEE ELIGIBILITY

- A. Any regular employee (full-time or part-time) who has successfully completed the initial probationary period and any public safety employee on an initial 12 month probationary period who has completed at least 6 months of the initial probationary period and is eligible for vacation benefits is eligible for consideration of tuition reimbursements.
- B. Employees must be actively working in a budgeted position of 20 or more hours per week (or be in a paid status for 20 or more hours per week) to be eligible to participate in the tuition reimbursement program.

VI. COURSE ELIGIBILITY

- A. All courses must be a course taken during the employee's off-duty time.
- B. Courses of education must be in areas related to a City career field and must meet one of the following requirements:
 - 1. Coursework that is directly job-related or expands the employee's overall job skills or the course will make the employee more promotable within the City. The course must be related to a current City position and within the employee's realistic promotional line.
 - 2. Coursework that will allow the employee to become more promotable with any City department. The degree program must be disclosed during the submittal process.
 - 3. Coursework that is required for a degree in a curriculum program. Associate, Undergraduate, and Graduate level classes and degree programs are eligible for reimbursement. Doctoral or PhD level classes and degree programs are not eligible for reimbursement under this policy.
 - 4. Coursework, professional and vocational license or certification that is a beneficial skill set for the City of Chandler.

Accreditation Requirement for College/Degree Program Coursework

An accredited college or university is one that is recognized by the North Central Association of Colleges and Secondary Schools, or one of five other regional accrediting associations including Northwest Association, Middle States Association, New England Association, Southern Association, or Western Association. Accreditation information is available directly from the school.

Obtaining a Professional and / or Vocational License or Certification

The cost of obtaining a job-related professional and vocational license or certification from recognized and accepted governing associations shall be reimbursed up to 100% of the annual maximum reimbursable sum.

Workshops, seminars and conferences that provide "certificates of attendance" or "continuing education units" (CEU's) are not eligible for reimbursement.

If certification requires taking and passing a test only, preparatory or study materials (including DVD's, etc.) that assist in preparing for a certification or license exam are not eligible for reimbursement.

Renewal of Job-Related Licenses and Certifications:

Employees are not allowed to use their tuition benefit for the renewal of licenses and certifications.

Renewal of Required/Preferred, Job-Related Licenses and Certifications:

Retention or renewal of required or preferred certifications or licenses shall be funded by the individual departments managing those positions (at the departments discretion). Employees who must hold a specific license or certification which is required for their current position is defined as "required" or "preferred".

Examples:

- ☐ CLE hours (Continuing Legal Education)
- ☐ State of Arizona Professional Engineer Certificate of Registration
- ☐ State of Arizona Water/ Wastewater Collection Certification
- ☐ EMT/Paramedic recertification

VII. REIMBURSEMENT AMOUNTS AND ELIGIBLE EXPENSES

1. The maximum reimbursement allowed per tax calendar year for a regular full time employee is a total of \$5,000.00. The maximum reimbursement allowed per tax calendar year for a regular part time employee is a total of \$3,200.00. The date of reimbursement will determine the tax year the cost will be allocated. If the employee completes courses which exceed the maximum allowable reimbursement the employee shall be responsible for payment of the balance.
2. Requests for reimbursement must be submitted for reimbursement within 90 days of the end date of the class.

3. Reimbursement shall include tuition costs and any laboratory fees that apply towards the approved coursework or degreed program. Special fees, registration fees, and books do not qualify as part of tuition reimbursement program and will not be reimbursed.
4. The amount of reimbursement shall be reduced by any financial assistance the employee receives from any outside source. When requesting tuition reimbursement, the employee must indicate on the Tuition Reimbursement Request any financial assistance received from an outside source, which the employee is **not** required to repay.

VIII. GRADES REQUIRED FOR REIMBURSEMENT

1. Tuition and laboratory fees, to the amount authorized, may be paid to the employee upon presentation of proof of tuition payment and a passing grade of "C" or higher.
2. The successful completion of a professional or vocational program requires demonstration and documentation of proficiency in a specific skill that results in a certificate or license.

IX. REIMBURSEMENT REQUEST PROCEDURES

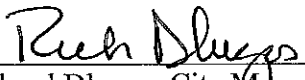
1. Preapproval of tuition reimbursement for college/degree program courses is not required. It is the employee's responsibility to ensure that courses being taken qualify for reimbursement based on the criteria established in Section VI of this policy.
2. As courses are completed, the employee will submit reimbursement requests for the courses along with proof of payment and proof of the passing grade in the Oracle Employee Self Service/My Tuition Reimbursement. The degree plan is not required for requests after the initial submittal. Human Resources will process all eligible reimbursements through the City bi-weekly payroll system.
3. All professional and vocational certification and license courses shall be pre-approved in writing by the employee's immediate supervisor. The documented approval will be required to be submitted when requesting reimbursement as well as proof of payment and proof of certification and/or license.
4. The Human Resources Director or designee will determine the employee's eligibility and the reimbursable amount; verify the accreditation of the school; and submit approved reimbursement requests to payroll for payment. The Human Resources Director or designee may request additional information to determine eligibility if needed.
5. All requests for reimbursement must be submitted with complete documentation to Human Resources by noon on the second Wednesday of the payroll period to be paid on the following payday.
6. Approved and subsequently paid tuition reimbursement requests shall be made part of the employee's personnel record.

X. REPAYMENT REQUIREMENT

1. Employees who voluntarily terminate employment within 12 months from the date the reimbursement check was issued shall be required to reimburse the City of Chandler in full for all reimbursement received under this policy within the last 12 months of employment upon separation from the City. (Retirement is considered a voluntary termination). Repayment of tuition shall not be required for employees who are dismissed or resign in lieu of termination.
2. Payment shall be made prior to the last working day of employment. If payment is not made, the tuition costs will be deducted from the employee's final paycheck. If full recovery is not made, the employee will be billed for the balance due. The Accounting Division will arrange a final payment plan with the employee. This payment plan will be agreed upon and signed prior to the employees last day of employment.
3. Default of the payment plan will result in the unpaid amount being turned over to collection.

XI. APPROVAL

This policy is effective July 1, 2014 and supersedes City of Chandler Tuition Reimbursement Policy dated December 18, 2011.



Richard Dlugas, City Manager

5-20-14

Date